



MINUTES

**CITY OF SCOTTSDALE POLICE LOCAL BOARD OF THE
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (PSPRS)
REGULAR MEETING
11:00 a.m., Thursday, April 15, 2010
Human Resources Verde Conference Room
7575 E. Main Street
Scottsdale, Arizona 85251**

PRESENT: Jack Cross, Chairman/Mayoral Designee
Jeffrey Burg, Citizen Member
James Butera, Elected Member
La Verne Parker Diggs, Citizen Member/Merit Head
Jeffrey Walther, Elected Member

STAFF: Ken Nemec
Chanda Washington

Call to order:

Chairman Cross called the meeting to order at 11:04 a.m. He noted that all members of the Public Safety Personnel Retirement System Police Board were in attendance.

Roll call:

A formal roll call confirmed the members present as stated above.

1. Review and Approval of Meeting Minutes—March 4, 2010.

BOARD MEMBER BUTERA MOVED TO APPROVE THE REGULAR MEETING MINUTES OF THE MARCH 4, 2010 PSPRS POLICE LOCAL BOARD MEETING. BOARD MEMBER BURG SECONDED THE MOTION, WHICH CARRIED BY A VOTE OF FIVE (5) TO ZERO (0).

2. Induction of New Scottsdale Police Officers into PSPRS

Mr. Nemec announced that there were no new Scottsdale police officers to induct into the PSPRS at this time.

**3. Discussion and Vote on the DROP (Deferred Retirement Option Plan)
Application of Police Sergeant Bernard S. Hill**

Ms. Washington reported that Police Sergeant Bernard Hill entered into the DROP on February 26, 2010 with 25.648 years of service and had elected to participate in the DROP for five years.

She stated that Police Sergeant Hill's paperwork was in order and he would be receiving a monthly retirement benefit in the amount of \$6,389.08.

Chairman Cross said that all participants should be reminded that they could not change their mind once they have signed up for the DROP and that participation in the whole five years was recommended.

In response to Board Member Walther's inquiry regarding whether someone who has signed up for the DROP for a two-year period could change it to five years, Chairman Cross confirmed that they could only participate for the two years they signed up for.

Ms. Washington recalled that very few participants have elected to participate in the DROP for less than five years.

Chairman Cross explained that the DROP provides employers with exact retirement dates of the participants in the program.

BOARD MEMBER WALTHER MOVED TO APPROVE THE DEFERRED RETIREMENT OPTION PLAN APPLICATION OF POLICE SERGEANT BERNARD S. HILL, EFFECTIVE FEBRUARY 26, 2010, SUBJECT TO FINAL PAYROLL CALCULATIONS AND QUALIFIED DOMESTIC RELATIONS ORDERS. BOARD MEMBER BUTERA SECONDED THE MOTION, WHICH CARRIED BY A VOTE OF FIVE (5) TO ZERO (0).

4. Discussion of Prior Service Credit Transfer Process and Possible Reporting to the Board

Ms. Washington summarized that once an officer was sworn into service they could elect to transfer the three months of civilian time in the Arizona State Retirement System which was earned while attending the academy into the Public Safety Personnel Retirement System. They could also transfer prior police service credits earned while serving in other police departments.

Ms. Washington reported that staff is always informed when a police officer completes a transfer and inquired whether the Board would like to also be informed about the completed transfers.

She explained that the example provided in the Board's notebooks was related to Police Officer Robert Hoskins who has elected to roll over his account balance from the Arizona State Retirement System into the Public Safety Personnel Retirement System as a reduced transfer.

Ms. Washington elaborated that this individual received less service than they would have if they had paid the difference between what Public Safety said they needed to have and what their account balance actually had.

In response to Board Member Walther's inquiry regarding whether a police officer could pay the difference, Ms. Washington confirmed that they could. Should they choose not to pay the difference they would forfeit any right to buy it at a later date.

Ms. Washington recalled police aides accumulating service credits prior to attending the academy and therefore increasing the three month service credit by two to three years.

Discussion ensued regarding Police Officer Robert Hoskins recently transferring his credits even though he has worked for the Scottsdale Police Department for the past 15 years. Chairman Cross emphasized the importance of transferring service credits at the beginning of sworn service.

Board Member Walther stated that he was unaware of the service transfer credit process, noting that his hire date was July 5th and his sworn date was October 21st.

Chairman Cross explained that a service transfer credit should be initiated at the beginning of sworn service because the value of the service credit was calculated according to the actuarial value of the police officer's time as well as their salary when sworn into service.

He directed staff to inform all new Scottsdale police officer hires that they should initiate the service transfer credit process once they are inducted into the PSPRS, pointing out that this transfer includes service credits from other police departments within Arizona and other states.

Ms. Washington recalled that the Police Department recently instituted an automatic process wherein the transfer credit process was initiated once a police officer graduates from the academy.

Chairman Cross elaborated that the new police officers now receive a letter indicating how much service transfer credit they are eligible for and requesting their approval of the transfer.

Ms. Washington said that a police aide who was not yet attending the academy must initiate the service transfer credit process.

Since usually a new police officer could not afford to pay the difference required to receive the whole earned service transfer credit, Chairman Cross suggested that they be informed that they could use their deferred comp money to pay the difference.

In response to Mr. Nemec's inquiry regarding whether Police Officer Hoskins was buying back .02 or whether it should have been .20, Chairman Cross stated that it could have been a typo and suggested calling the Retirement System to confirm the amount of time he was buying back. He volunteered to use the Redemption of Prior Service calculator located on their website to figure out the correct amount of time being bought back.

In response to Board Member Walther's inquiry regarding whether he needed to initiate the service credit transfer process, Ms. Washington offered to check and see whether the process had already been completed.

In response to Board Member Walther's comment that he had completed 16 years of service, Chairman Cross requested that staff inform him whether he has a service credit that needs to be transferred so he can calculate whether it was better for Board Member Walther to start the process now or wait until he has completed 20 years of service.

Chairman Cross summarized that the advantage of an employer initiating the service transfer credit process when a police officer begins attending the police academy was the ability to receive disability benefits if injured while in school. However, initiating the process during this time frame creates a lot of paperwork for staff whenever a student drops out of the police academy.

Board Member Butera stated that the police academy curriculum includes three ride-alongs with police officers, which increases their risk of being injured while attending the police academy.

Chairman Cross recalled that the service credit transfer process used to save the City money because of the contribution rate differences. He requested that staff keep the Board apprised of all completed service credit transfers.

5. Discussion of Process Pertaining to those Who Return to Work within 60 Days of Termination

Chairman Cross stated that until recently there had not been a time constraint on a police officer's ability to terminate employment and then later deciding to return to work for another city or employer.

Ms. Washington reported that an employee currently in the DROP has decided to return to work for the City. Such an action would stop the pension benefit and possibly affect the interest the DROP monies earn.

Ms. Washington recalled emailing questions to Public Safety to find out what repercussions this action would entail.

In response to Mr. Nemec's comment that this individual was working while in the DROP, Ms. Washington confirmed that he would be retiring May of 2010. She stated that he would like to know what would happen if he returns to work before the 60-day waiting period was completed.

Ms. Washington elaborated that he would like to retain his credentials while serving as a reserve officer at the mall.

In response to Board Member Butera's inquiry regarding whether the Paid Reserve Program was eliminated, Board Member Walther confirmed that it would be eliminated as based on the new 60-day requirement and that employees are not allowed to return to their previous job. The Phoenix Police Department reserve program does not pay their employees.

Ms. Washington recalled that Public Safety informed her that there cannot be any type of agreement or understanding that the person was going to return to work, even if it was beyond the 60- day time frame.

She noted that typically volunteer employment does not qualify for this scenario and should an employee express their desire to return to work before retiring, Public Safety would initiate an investigation of the situation.

Ms. Washington pointed out that Public Safety requested that the Board discuss each request to return to work after the DROP. She directed the Board to review copies of the email trail of her conversations with Public Safety.

Chairman Cross requested that staff make copies of the new statute regarding the 60-day requirement so the Board can review it along with the emails.

He summarized that the statute used to restrict an employee from returning to work in any capacity for any employer in the State of Arizona, which ultimately forced retiring employees to move to other states for employment.

Chairman Cross recalled that when Chief Deputy Hendershot returned to work he did not change his office or duties and claimed that he was a civilian. The legislature decided to restrict employees from returning to the same position of employment that they left.

The 60-day time constraint was implemented within the past year in order to create a clean break between the employee and employer.

Chairman Cross explained that the legislation had previously discussed implementing a 60-day requirement so employees could return to work on a part-time basis, which was more cost-effective.

In response to Board Member Walther's inquiry regarding why the employee does not want to wait the full 60 days, Board Member Burg responded that it would allow him to keep some of his earned vacation. Board Member Parker-Diggs stated that he would be able to retain the same vacation accrual rate.

Board Member Butera explained that this employee handles the police officer scheduling for Fashion Square Mall and would like to retain that position as a paid police officer since there is a big pay difference between mall security and the Police Department.

Ms. Washington presented copies of A.R.S. Sections 38-844.03 and 38-849. Chairman Cross directed the Board to review Section D of A.R.S. Section 38-849 pointing out that the first sentence states:

"If a retired member becomes employed in any capacity by the employer from which the member retired before sixty consecutive days after the member's date of retirement, the system shall not make pension payments to the retired member during the period of reemployment."

Discussion ensued regarding losing pension payments while waiting for the 60-day time frame to pass. Ms. Washington recalled researching rehiring employees through Comforce or another third party with no success.

Chairman Cross recalled that this employee called him regarding the matter and that he did not have any good news to report about the situation. Ms. Washington explained that she would be scheduling a meeting with the employee to discuss his DROP retirement at the end of May as well as his future plans of employment.

Discussion ensued regarding whether legislation was addressing the issues created by this 60-day requirement. Chairman Cross invited the Board and staff to think about whether returning to work at a shorter week schedule would be a solution to this problem.

Board Member Walther recommended including language that would allow the employee to return to testify in an ongoing case. Mr. Nemec suggested including a witness fee in the language. Board Member Parker-Diggs commented that staff had discussed paying the employee the hourly rate they had when they left employment.

6. Motion to Recess into Executive Session for Discussion of the A.R.S. Sec. 38-844 Retirement Application of Police Officer Gerald E. Rollings

Chairman Cross deemed it unnecessary to recess into executive session.

7. Board Suggestions for Upcoming Agenda Items.

Mr. Nemec recalled the Board's disapproval of the issuance of an IME through Columbia Medical in response to Lieutenant Chrzanowski's request for an accidental disability retirement.

He reported that staff has not yet received the requested information from the Applicant's doctor, nor has it received an appeal request which must be received with 60 days of the Board's decision.

Ms. Washington reported that Lieutenant Chrzanowski's application information would be included in next month's meeting notebook under tab 10 in case an appeal request was received.

In response to Board Member Butera's inquiry regarding whether there was a time limitation regarding when a retiree could apply for an accidental retirement disability, Chairman Cross confirmed that there is a one-year time limitation.

ADJOURNMENT:

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 11:45 p.m.

Respectfully Submitted by:

REVIEWED BY:

Ken Nemec
PSPRS Police Local Board Secretary

Jack Cross
PSPRS Chairman/Mayoral Designee